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UNCLAS SECTION 01 OF 03 ROME 005131

SIPDIS

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DEPT FOR EUR/WE AND DRL/IL  
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E.O. 12958: N/A

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SUBJECT: OCTOBER 18 ITALIAN GENERAL STRIKE GENERATES  
WIDESPREAD DISRUPTION

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REF: A) ROME 5049 B)ROME 5083

1. NOT FOR INTERNET DISTRIBUTION.

2. (SBU) ILLUSTRATING BOTH ITS REACH AND DEPTH AS ITALY'S LARGEST TRADE UNION CONFEDERATION, CGIL (THE GENERAL CONFEDERATION OF ITALIAN WORKERS) BROUGHT MUCH OF ITALY TO A CRAWL, IF NOT A COMPLETE HALT, DURING ITS ONE-DAY STRIKE OCTOBER 18. THE EIGHT-HOUR ACTION CREATED SUBSTANTIAL DISRUPTION THE LENGTH OF THE PENINSULA, ESPECIALLY IN THE TRANSPORT SECTOR. IT ALSO GENERATED FURTHER ACrimONY BETWEEN CGIL AND THE OTHER TWO MAJOR CONFEDERATIONS, AS THEY SPARRED OVER THE STRIKE'S IMPACT AND UTILITY, THAT WILL MAKE THEIR RECONCILIATION MORE DIFFICULT. THE ONE-DAY STRIKE MAY MARK THE END OF A PHASE IN WHICH THE THREE CONFEDERATIONS HAVE SPENT MUCH OF THEIR ENERGY ARGUING AMONG THEMSELVES OVER THEIR RELATIVE STRENGTH AND INFLUENCE RATHER THAN PRESENTING A COMMON FRONT TO EMPLOYERS AND THE GOVERNMENT. AT LEAST, THAT'S WHAT POLITICAL LEADERS ACROSS THE CENTER-LEFT HOPE. CIRCUMSTANCES SHOULD HELP THE CONFEDERATIONS PATCH THINGS UP: THE BUDGET CRUNCH AND A CRISIS AT FIAT AUTO HAVE PROVIDED ORGANIZED LABOR, IN ALL ITS CONFIGURATIONS, WITH A TANGIBLE THREAT TO ITS MEMBERS THAT IS WORTH FIGHTING OVER.

TIMING IS EVERYTHING

3. (SBU) FOR CGIL, THE GAMBLE OF CALLING A STRIKE INDEPENDENT OF THE OTHER CONFEDERATIONS (THE SECOND IN SIX MONTHS AFTER ALMOST 40 YEARS OF JOINT STRIKES) APPEARS TO  
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HAVE PAID OFF. BUT IT'S FAIR TO SAY THAT THE CONFEDERATION WAS PERHAPS LUCKY RATHER THAN BRILLIANT. WHEN CGIL ORIGINALLY CALLED THE STRIKE IN JUNE, ITS MOTIVE WAS LARGELY TO OBJECT TO THE OTHER TWO (CISL AND UIL) CONFEDERATIONS' DECISION TO SIGN A NEW LABOR PACT WITH THE GOVERNMENT AND EMPLOYERS THAT INCLUDED THE BERLUSCONI GOVERNMENT'S PROPOSED CHANGES TO ARTICLE 18 OF THE LABOR CODE (WHICH PROVIDE SMALL EMPLOYERS MORE FLEXIBILITY TO FIRE WORKERS). ALTHOUGH SYMBOLICALLY IMPORTANT, IT WAS HARDLY THE ISSUE THAT MANY EXPECTED TO GALVANIZE PUBLIC OPINION OR PROMPT CHANGES IN THE GOVERNMENT'S APPROACH TO LABOR ISSUES (GIVEN THAT FEW EXPECTED A SURGE IN SMALL FIRMS' HIRING DUE TO THE ADDED FLEXIBILITY).

4. (SBU) BUT A FUNNY THING HAPPENED ON THE WAY TO THE STRIKE: TWO ISSUES WITH ENORMOUS PRACTICAL SIGNIFICANCE EMERGED. FIRST, THE GOVERNMENT RELEASED ITS PROPOSED 2003 BUDGET (SEE REFTELS FOR FULL ANALYSIS) TO WIDESPREAD OPPOSITION. FINANCE MINISTER TREMONTI PROPOSED CUTS (DESIGNED TO KEEP ITALY IN LINE WITH EU FISCAL CRITERIA) THAT INCLUDED SUBSTANTIAL CONSTRAINTS ON PUBLIC FUNDS TO PROMOTE ECONOMIC DEVELOPMENT AND INVESTMENT IN SOUTHERN ITALY (WHERE UNEMPLOYMENT RUNS ABOVE 20%). AFTER INITIAL ANALYSES REVEALED THE CUTS COULD JEOPARDIZE THE GOVERNMENT'S ABILITY TO MEET ITS UNEMPLOYMENT BENEFITS AND TAX REDUCTION COMMITMENTS UNDER THE NATIONAL LABOR PACT NEGOTIATED IN JULY, CISL AND UIL WARNED THEY WOULD HEAD FOR THE STREETS IF THERE WERE ANY REDUCTIONS IN AGREED MEASURES OR OTHER ALTERATIONS TO OTHER ELEMENTS OF THE PACT.

5. (SBU) THEN FIAT ANNOUNCED PLANS (SEE SEPTTEL) TO STABILIZE  
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ITS AILING AUTO DIVISION WITH SHOCK THERAPY, PROPOSING PLANT CLOSURES THAT WOULD IDLE OVER 8,000 WORKERS (INCLUDING ALMOST 2,000 AT A PLANT IN WESTERN SICILY). IN A SOCIETY WHERE LABOR MOBILITY IS THE EXCEPTION (AND SOUTHERN WORKERS ESPECIALLY RESIST HEADING NORTH FOR WORK), THE PLANNED CLOSURES FUELED A FIRESTORM OF PROTEST. WORKERS AT THE SICILIAN PLANT BEGAN A SERIES OF WORK STOPPAGES AND SHUT DOWN TRANSPORTATION ACROSS MUCH OF THE ISLAND, BLOCKING

FREEWAYS AND RAIL LINES. LOCAL OFFICIALS AND SICILIAN PARLIAMENTARIANS JOINED UNION LEADERS IN DENOUNCING THE PLANNED CUTS, CHARGING THE MOVE WOULD LEAVE DISMISSED WORKERS AND THEIR NEIGHBORS LITTLE ECONOMIC ALTERNATIVE BUT TO COLLABORATE WITH ORGANIZED CRIME. "DON'T LEAVE US WITH THE MAFIA AT THE DOOR," PLEADED THE MAYOR OF ONE TOWN. CGIL ASTUTELY SHIFTED THE MOTIVES FOR ITS STRIKE, DECLARING THAT THE ACTION WAS INTENDED TO DEMONSTRATE MORE BROADLY THE CONFEDERATION'S OPPOSITION TO THE BERLUSCONI GOVERNMENT'S ECONOMIC POLICY.

16. (U) THE STRIKE PROMPTED WIDESPREAD DISRUPTION ACROSS ITALY, AS THE CONFEDERATION STAGGERED ITS ACTIONS ACROSS THE VARIOUS TRANSPORT SECTORS TO CREATE MAXIMUM DISRUPTION. ALITALIA WAS FORCED TO CANCEL 275 FLIGHTS (50% OF ITS DAILY SCHEDULE) AND NATIONAL RAIL CARRIER TRENITALIA DROPPED 40% OF ITS MEDIUM AND LONG-HAUL ROUTES FOR THE DAY. UNION MEMBERS IN L'ACQUILA (WHERE CLOSURE OF ANOTHER FIAT PLANT

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INFO	LOG-00	NP-00	AGRE-00	AID-00	CEA-01	CIAE-00	COME-00
	CTME-00	DODE-00	ITCE-00	DOTE-00	ANHR-00	SRPP-00	DS-00
	EB-00	EXME-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	IO-00	ITC-01	LAB-01	L-00
	VCE-00	AC-01	NSAE-00	NSCE-00	OMB-01	OPIC-01	PA-00
	PM-00	PRS-00	ACE-00	P-00	SCT-00	SP-00	IRM-00
	SSO-00	STR-00	TEST-00	TRSE-00	USIE-00	PMB-00	DSCC-00
	PRM-00	DRL-02	G-00	SAS-00	/009W		

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R 220459Z OCT 02  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 6449  
INFO DEPT OF LABOR WASHDC  
EUROPEAN POLITICAL COLLECTIVE

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COULD IDLE 1,400) BLOCKED THE PRINCIPAL HIGHWAY CONNECTING ROME WITH THE ADRIATIC COAST. MASS TRANSIT STOPPAGES AND UNION PROCESSIONS IN 120 CITIES CREATED WIDESPREAD DISTURBANCES IN URBAN CENTERS. IN ROME, AN IMPROMPTU OCTOBER 17 PROTEST BY 2,000 WORKERS AND FAMILY MEMBERS FROM THE THREATENED SICILIAN PLANT (BUSSED IN THE NIGHT BEFORE) GREW TENSE WHEN POLICE PREVENTED THE PROCESSION FROM REACHING THE PRIME MINISTER'S OFFICE.

DUELING STATISTICS  
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17. (U) UNION LEADERS FANNED OUT ACROSS ITALY TO RALLY THE FAITHFUL AND SPEAK AT THE DEMONSTRATIONS. FORMER CGIL LEADER SERGIO COFFERATI, OSTENSIBLY THE MOST POPULAR FIGURE WITHIN ITALY'S FRACTURED, CONTENTIOUS CENTER-LEFT OPPOSITION, MARCHED WITH HIS PIRELLI COLLEAGUES (AND 250,000 OTHERS, ACCORDING TO CGIL) THROUGH MILAN JUST DAYS AFTER REJOINING HIS EMPLOYER FOLLOWING A 20-PLUS YEAR UNION CAREER. HIS SUCCESSOR, GUGLIELMO EPIFANI, LED 200,000 OF THE FAITHFUL IN TURIN (HEADQUARTERS OF FIAT'S FAR-FLUNG HOLDINGS, INCLUDING FIAT AUTO). RALLIES IN ROME AND NAPLES DREW UPWARDS OF 150,000 AND 130,000, RESPECTIVELY, INCLUDING MANY STUDENTS. (NOTE: ATTENDANCE ESTIMATES REPORTED BY CGIL; INDEPENDENT ESTIMATES HAVE NOT YET BEEN REPORTED BUT COULD BE LOWER). JOINING THE PROCESSIONS WERE MOST OF THE OPPOSITION CENTER-LEFT PARTIES' LEADERS; SOME WITH CONVICTION (IN THE CASE OF COMMUNIST RENEWAL LEADER BERTINOTTI), OTHERS WITH A DEGREE OF PUZZLEMENT (IN THE CASE OF DEMOCRATIC LEFT LEADER PIERO FASSINO AND FORMER PM

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MASSIMO D'ALEMA). FASSINO URGED THE THREE CONFEDERATIONS TO REDEVELOP A UNIFIED POSITION, SUGGESTING THE OPPOSITION (ALREADY FRACTURED) COULD ILL-AFFORD DIVISIONS WITHIN ONE OF ITS KEY CONSTITUENCIES.

18. (U) THE STRIKE WAS A ROUSING SUCCESS, EPIFANI DECLARED; CGIL HAD "BROUGHT MILLIONS INTO THE STREETS" TO PROTEST THE GOVERNMENT'S ECONOMIC POLICIES. THE CONFEDERATION ALSO CITED HIGH PARTICIPATION IN SEVERAL SECTORS, INCLUDING OVER 50% OF TEACHERS. PARTICIPATION WAS ESPECIALLY HIGH IN THE HEAVILY-INDUSTRIALIZED (AND UNIONIZED) NORTHWEST, WITH 60-70 PERCENT REPORTED AT FIAT AUTO. IN CONTRAST, CISL AND UIL DOWNPLAYED THE STRIKE'S SIGNIFICANCE, CLAIMING NO MORE THAN A THIRD OF THE WORK FORCE PARTICIPATED AND SUGGESTING THERE HAD BEEN LITTLE CROSSOVER SUPPORT TO CGIL FROM THEIR MEMBERS. LABOR MINISTER MARONI CHARACTERIZED THE STRIKE AS "MODEST," AND EXPRESSED THE GOVERNMENT'S HOPE THAT THERE COULD NOW BE A BROADER DIALOGUE AMONG ALL THREE PARTNERS - LABOR, EMPLOYERS AND GOVERNMENT.

NOW WHAT?

19. (SBU) MANY OBSERVERS BELIEVE THAT, HAVING MADE ITS POINT, CGIL WILL ONCE AGAIN FIND COMMON CAUSE WITH THE OTHER TWO CONFEDERATIONS. IN THE WEEKS PRECEDING THE STRIKE, EPIFANI BEGAN HINTING AS MUCH, AVOIDING ANY SUGGESTION THE CONFEDERATION WOULD SET CISL AND UIL'S RENUNCIATION OF THE SUMMER'S LABOR PACT AS THE PRICE OF RENEWED COOPERATION. SEVERAL OBSERVERS POINT TO EPIFANI'S MORE MEASURED REMARKS - IN CONTRAST TO THOSE OF HIS COLORFUL PREDECESSOR, COFFERATI, UNCLASSIFIED

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UNDER WHOSE LEADERSHIP CGIL CALLED THE STRIKE - AS EVIDENCE THAT HE IS PREPARED TO MOVE ON. BUT THE LEADERS OF THE OTHER TWO CONFEDERATIONS BOTH SIGNALLED THAT ANY RECONCILIATION WOULD DEPEND ON CGIL'S WILLINGNESS TO MOVE IN THEIR DIRECTION. UIL LEADER ANGELETTI DECLARED THE STRIKE "USELESS; IT DIDN'T SOLVE ANYTHING," AND CISL LEADER LUIGI PEZZOTTA SAID HE WAS "FED UP" WITH CGIL CRITICISM OF THE NATIONAL LABOR PACT SIGNED IN JULY. ANY DISCUSSION OF A FORMAL UNITED FRONT - SOMETHING CISL HAD BEEN ASKING COFFERATI AND CGIL TO DISCUSS FOR 18 MONTHS - WOULD BEGIN ON THE BASIS OF THE LABOR PACT, PEZZOTTA DECLARED.

110. (SBU) BEHIND THE RHETORIC, THOUGH, THERE ARE SIGNS THE THREE CONFEDERATIONS ARE IDENTIFYING COMMON GROUND. METALWORKERS FROM THE CONSTITUENT UNIONS OF THE THREE CONFEDERATIONS ARE DISCUSSING A COMMON STRATEGY AND TACTICS TO TACKLE FIAT AUTO'S RESTRUCTURING PLANS AND REPORTEDLY ARE CONTEMPLATING A SECTORWIDE STRIKE IN THE NEXT FEW WEEKS. THIS TECHNICAL-LEVEL COLLABORATION MAY LEAD TO BROADER DISCUSSIONS BY CONFEDERATION LEADERSHIP OF A SHARED FRAMEWORK. FROM OUR PERSPECTIVE AT LEAST, THAT SHOULDN'T PROVE TOO HARD; BETWEEN THE PROPOSED BUDGET AND THE FIAT AUTO CRISIS, THERE'S PLENTY ON WHICH THE THREE CONFEDERATIONS SHOULD BE ABLE TO AGREE. A UNITED FRONT WOULD CREATE A SMOOTHER NEGOTIATING PROCESS (THOUGH PERHAPS A MORE EXPENSIVE PRICE TAG) FOR THE BERLUSCONI GOVERNMENT AS

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ACTION EUR-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	CEA-01	CIAE-00	COME-00
	CTME-00	DODE-00	ITCE-00	DOTE-00	ANHR-00	SRPP-00	DS-00
	EB-00	EXME-00	E-00	FAAE-00	UTED-00	VC-00	FRB-00
	H-01	TEDE-00	INR-00	ITC-01	LAB-01	L-00	VCE-00
	AC-01	NSAE-00	NSCE-00	OMB-01	OPIC-01	PA-00	PM-00
	PRS-00	ACE-00	P-00	SCT-00	SP-00	IRM-00	SSO-00
	STR-00	TEST-00	TRSE-00	USIE-00	PMB-00	DSCC-00	PRM-00
	DRL-02	G-00	SAS-00	/009W			

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R 220459Z OCT 02  
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IT TRIES TO TAME SOME OF ITALY'S STRUCTURAL ECONOMIC

PROBLEMS WHILE PRESERVING SOME MEASURE OF INTRA-REGIONAL HARMONY AND, IN THE FORM OF FIAT, ONE OF THE SYMBOLS OF ITALY'S POSTWAR ECONOMIC TRANSFORMATION FROM CRIPPLED AGRARIAN NATION TO MODERN G-7 MEMBER. CLOSER COOPERATION AMONG THE UNIONS, WHILE FAR FROM SUFFICIENT TO BREATHE NEW LIFE INTO ITALY'S CENTER-LEFT, WOULD NONETHELESS BE A BOON TO THE FRACTURED OPPOSITION, AS THE DIVIDE BETWEEN UNIONS MIRRORS AND EXACERBATES PROBLEMS WITHIN THE DEMOCRATS OF THE LEFT AND AMONG OLIVE TREE "COALITION" PARTIES.

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